



Consolidated Financial Statements

For The nine months ended December 31 2015

Chairman's Statement

Jerry Hospedales
Chairman

For the nine month period ended December 31 2015 National Enterprises Limited (NEL) recorded a profit of \$262.9 million. When compared with \$405.9 million in 2014, this figure reflects a reduction in profits of \$142.9 million or 35.2%. Earnings per share were recorded at \$0.41 compared with \$0.66 in 2014.

The lower earnings for the nine months ended December 31 2015 were mainly due to the underperformance of our investee companies in the energy sector. Our investee companies have felt the full impact of low commodity prices including energy which has been on the decline since the middle of 2014, as well as the effects of the ongoing gas curtailment programme on the Point Lisas estate. As an oil and gas exporter the ending of the longer-than-expected commodity super-cycle has initiated a decline in our economic activity, the timeframe and eventual economic recovery of which are now subject to considerable uncertainty, with implications for the profitability of Trinidad Nitrogen Co. Limited (Tringen), NGC NGL Company Limited (NGC NGL), NGC Trinidad and Tobago LNG Limited (NGC NLG), Pan West Engineers and Constructors LLC (Panwest).

On the other hand, Telecommunications Services of Trinidad and Tobago (TSTT) has improved its profitability for the nine months ended December 31 2015 when compared with the same period in 2014. TSTT has lowered its operating costs through more focused managerial control. National Flour Mills has continued to improve its performance due to significant management focus and operational improvements, with employee and union support.

Our new investments in Panwest and the Power Generation Company of Trinidad and Tobago (Powergen) have added a degree of stability in the dividends paid to NEL, given that those dividends are contributing to the offsetting of the decline in dividends from the energy sector investee companies. In 2015 the total dividend income from Panwest and PowerGen amounted to \$24.5 million.

We will continue to seek out good medium and long-term investments which can enhance shareholder value and earnings. I am pleased therefore to advise that in the last quarter of 2015, NEL participated in the Initial Public Offer (IPO) issued by the Trinidad and Tobago NGL Limited (TTNGL). We were allocated 1,525,673 shares which have already generated dividends for the company. In addition, we also participated in the new Calypso Index Fund launched by the Unit Trust Corporation. The investment was \$50.0 million. We envisage solid and stable dividends from both of these investments.

NEL is committed, in consultation with its investee companies, to taking strategic action to mitigate the fallout on profitability from lower energy sector earnings and looks forward to taking advantage of any attractive investment opportunity which might become available in future and is considered to be appropriate and viable.

Condensed Consolidated Statement of Financial Position

	Unaudited Nine months ended 31 December 2015 \$ '000	Unaudited Nine months ended 31 December 2014 \$ '000	Audited Year ended 31 March 2015 \$ '000
Assets			
Equity accounted investments	2,570,625	2,424,552	2,675,169
Property, plant and equipment	156,303	137,128	152,756
Other non-current assets	315,571	641,144	287,369
Total non-current assets	3,042,499	3,202,824	3,115,294
Current assets	731,531	700,599	856,001
Total assets	3,774,030	3,903,423	3,971,295
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Investment remeasurement reserve	17,912	20,576	17,912
Translation reserve	18,757	25,161	19,532
Retained earnings	1,503,169	1,523,358	1,625,238
Total equity attributable to equity shareholders	3,276,470	3,305,727	3,399,314
Non-controlling interest	109,370	95,749	95,124
Total equity	3,385,840	3,401,476	3,494,438
Liabilities			
Non-current liabilities	119,837	18,465	120,418
Current liabilities	268,353	483,482	356,439
Total liabilities	388,190	501,947	476,857
Total equity and liabilities	3,774,030	3,903,423	3,971,295

Jerry Hospedales – Director

Navin Rajkumar – Director

Consolidated Statement of Changes in Equity

as at 31 December, 2015	(Expressed in thousands of Trinidad and Tobago dollars)					
	Share Capital \$'000	Translation Reserve \$'000	Investment Remeasurement Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total Equity \$'000
Nine months ended 31 December 2015						
Balance as at 1 April 2015	1,736,632	19,532	17,912	1,625,238	95,124	3,494,438
Total comprehensive income for the year	-	-	-	248,687	14,246	262,933
Share of translation reserve	-	(775)	-	-	-	(775)
Investment remeasurement	-	-	-	-	-	-
Adjustment - NPHL	-	-	-	-	-	-
Subsidiary dividend	-	-	-	-	-	-
Dividends paid	-	-	-	(370,756)	-	(370,756)
Balance as at 31 December 2015	1,736,632	18,757	17,912	1,503,169	109,370	3,385,840
Nine months ended 31 December 2015						
Balance as at 1 April 2014	1,736,632	31,979	16,766	1,450,384	87,896	3,323,657
Total comprehensive income for the year	-	-	3,810	396,000	7,852	407,662
Share of translation reserve	-	(6,818)	-	-	-	(6,818)
Prior year adjustment	-	-	-	-	-	-
Subsidiary dividend	-	-	-	(3,269)	-	(3,269)
Dividends paid	-	-	-	(319,756)	-	(319,756)
Balance as at 31 December 2014	1,736,632	25,161	20,576	1,523,359	95,748	3,401,476
Year ended 31 March 2015						
Balance as at 1 April 2014	1,736,632	31,979	16,766	1,450,384	87,896	3,323,657
Total comprehensive income for the year	-	-	1,146	479,234	10,173	490,553
Share of deferred tax on actuarial gain	-	-	-	(25,315)	-	(25,315)
Share of translation reserve	-	(12,447)	-	-	-	(12,447)
Subsidiary dividend	-	-	-	(3,065)	(2,945)	(6,010)
Dividends paid	-	-	-	(276,000)	-	(276,000)
Balance as at 31 March 2015	1,736,632	19,532	17,912	1,625,238	95,124	3,494,438

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Nine months ended 31 December 2015 \$ '000	Unaudited Nine months ended 31 December 2014 \$ '000	Audited Year ended 31 March 2015 \$ '000
Revenue	358,747	335,477	470,316
Cost of sales	(272,792)	(278,761)	(374,865)
Gross profit	85,955	56,716	95,451
Other income	10,334	7,721	14,802
Operating expenses	(59,218)	(54,058)	(82,232)
Operating profit	37,071	10,379	28,021
Finance income	17,589	24,960	24,598
Finance costs	(4,977)	(5,136)	(7,385)
Net finance income	12,612	19,824	17,213
Share of profit of equity accounted investees (net of tax)	220,909	371,271	456,261
Profit before tax	270,592	401,474	501,495
Tax expense	(7,795)	473	(11,071)
Profit for the period	262,797	401,947	490,424
Other comprehensive income			
Remeasurement of retirement benefit asset, net of tax	-	-	(1,017)
Unrealised gains	136	3,861	1,146
Other comprehensive income for the year	136	3,861	129
Total comprehensive income for the year	262,933	405,808	490,553
Profit attributable to:			
Equity shareholders	248,687	398,863	480,380
Non-controlling interest	14,246	6,945	10,173
Profit for the period	262,933	405,808	490,553
Basic Earnings per Share	\$0.41	\$0.66	\$0.80

Condensed Consolidated Statement of Cash Flows

	Unaudited Nine months ended 31 December 2015 \$ '000	Unaudited Nine months ended 31 December 2014 \$ '000	Audited Year ended 31 March 2015 \$ '000
Cash flows from operating activities	167,880	(25,462)	(113,491)
Net cash flows from operating activities	167,880	(25,462)	(113,491)
Cash flows from investing activities			
Dividends received	324,677	303,657	318,028
Dividends declared	-	-	111,441
Other investing activities	(38,782)	(2,841)	(339,058)
Net cash flows from investing activities	285,895	300,816	90,411
Cash flows from financing activities			
Dividends paid	(387,495)	(319,756)	(282,010)
Finance lease liability payments	-	-	(546)
Repayment of borrowings	(136,727)	(8,383)	96,660
Net cash flows from financing activities	(524,222)	(328,139)	(185,896)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(70,447)	(52,785)	(208,976)
Cash, cash equivalents and bank overdrafts at start of period	344,418	369,210	369,210
Cash, cash equivalents and bank overdrafts at end of period	273,971	316,425	160,234

Notes to the Condensed Consolidated Interim Financial Statements:

For the nine months ended December 2015

1. Basis of Preparation -

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 31st March 2015. These condensed consolidated interim financial statements have not been audited but were approved by the Board of Directors on 12th February, 2016.

2. Significant Accounting Policies -

The accounting policies applied in these unaudited condensed interim financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 31st March, 2015.